

304.39-215 Prohibition of referral to entity with which provider has financial relationship -- Reparations benefits.

- (1) As used in this section and in KRS 304.99-060:
 - (a) "Compensation arrangement" has the same meaning as in 42 U.S.C. sec. 1395nn, as amended; and
 - (b) "Health care provider" or "provider" means:
 1. An individual who is licensed under KRS 309.353 or KRS Chapter 311, 311A, 311B, 312, 313, 314, 314A, 315, 319, 319A, 319B, 320, or 327 and who is not enrolled in the Kentucky Medicaid program; or
 2. A medical laboratory, as defined in KRS 333.020, that is not enrolled in the Kentucky Medicaid program.
- (2) Except as otherwise provided in subsection (3) of this section:
 - (a) If a health care provider, directly or indirectly, has either of the following financial relationships with a person or entity, the provider shall not make a referral to the person or entity for the furnishing of health care services for which payment may be made from basic or added reparation benefits provided under this subtitle:
 1. An ownership or investment interest in the person or entity, whether through debt, equity, or other means; or
 2. A compensation arrangement between the provider, directly or indirectly, and the person or entity; and
 - (b) No person or entity shall present, cause to be presented, or collect payment on a claim or bill for health care services referred to the person or entity that the person or entity knows or should know is in violation of paragraph (a) of this subsection.
- (3) Any conduct or activity which is permitted by or protected under 42 U.S.C. sec. 1395nn(b) to (e), as amended, 42 U.S.C. sec. 1320a-7b(b)(3), as amended, or a federal regulation adopted under those sections, as amended, shall not be deemed to violate this section, and the conduct or activity shall be accorded the same protections allowed under these federal laws and regulations.
- (4)
 - (a) No insurer shall be required to pay basic or added reparations benefits to a person or entity for health care services referred to that person or entity in violation of this section.
 - (b) If a person or entity collects any amount in basic or added reparations benefits in violation of this section, the person or entity shall refund, on a timely basis, the amount collected.

Effective: June 27, 2019

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